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July 1, 1999

EX PARTE

RECEIVED

JUL 1 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: CC Docket No. 94-102
Enhanced 911 Emergency Calling Systems

Dear Ms. Salas:

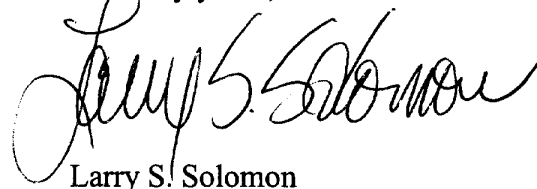
On June 30, 1999, the following representatives of SigmaOne, Dennis A. Kahan (Chief Executive Officer), Sandy Mayer (Vice President), Israel Zamir (Director) and Benny Maidan (Director), as well as Henry Rivera and I from this office, met with: (i) Commissioner Powell and his Legal Advisor, Peter Tenhula; (ii) Dan Connors, Legal Advisor to Commissioner Ness¹; and, (iii) Thomas Sugrue, Chief, Wireless Telecommunications Bureau, along with Diane Cornell, James Schlichting, and Daniel Grosh, to discuss SigmaOne's position in this proceeding.

The discussions followed previous submissions of SigmaOne in this in this proceeding. In addition, copies of the attached presentations were used during the discussions.

In accordance with Section 1.1206 of the Commission's rules, two copies of this letter and associated attachments are being submitted.

Please contact the undersigned if there are any questions in connection with this matter.

Sincerely yours,



Larry S. Solomon

-
1. Messrs. Zamir and Maidan did not attend the meeting with Mr. Connors

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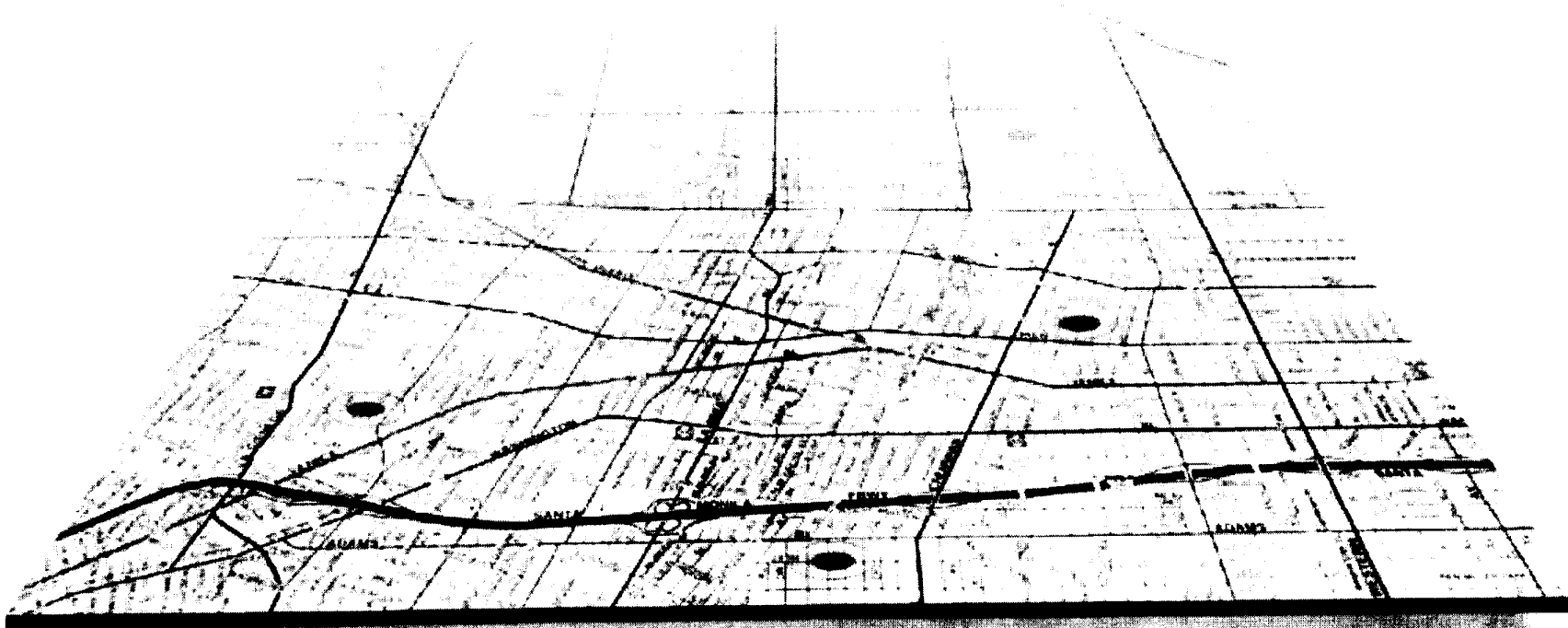
SIGMA ONE



WILL LOOPHOLES AND AMBIGUITIES KILL E911?

- SigmaOne firmly believes current ruling is “technology neutral” and supports NENA opposition to granting waivers
- Granting waivers, based on vague requirements will bring a halt current trials and deployment efforts for phase II wireless E911
- If the FCC is considering waivers, they should be granted with strict implementation requirements and consequences
- Universal coverage and the needs of Public Safety must be of primary importance

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THE UNCLEAR FUTURE OF E911



Issue: Will vague or ambiguous waivers jeopardize E911?

- The initial requirements for an early start date, roaming coverage and improved accuracy no longer seem important to handset proponents.
- Strict implementation milestones are required to foster rapid E911 coverage.
- Huge cost recovery issues for handsets will delay E911 deployment.
- Carriers must make an E911 decision no later than June 2000 in order to ensure prompt compliance with the E911 mandate.
- In order to guarantee universal coverage carriers must be obligated to only sell ALI enabled handsets after December 31, 2001.
- Clear MANDATES and SIGNIFICANT CONSEQUENCES are required to avoid jeopardizing the future of E911.

EARLY START DATE



Issue: The FCC made an early start date a pre-condition for ALI enable handsets. What happened?

- The proposed waiver requirements only require the sale of ONE GPS handset by September 30, 2001
- Why should carriers take an early start date seriously?

ROAMING AND UNIVERSAL COVERAGE



Issue: The FCC wanted a solution to the handset roaming problem. Is this still important?

- If handset churn is so high why are handset proponents afraid of implementation deadlines?
- Why won't carriers cover 100% of all subscribers?
- Handset proponents do not want the FCC to ask a simple question:

WHAT IF THEY ARE WRONG?

ACCURACY



Issue: FCC handset waivers must provide significantly better accuracy: Has this goal been abandoned?

- Handset proponents used data showing 5 to 70 meters as basis for handset waivers
- Current waiver proposals only provide for 90 meter accuracy
- Network based solutions have already exceeded 90 meter 67% CEP accuracy
- What accuracy justifies implementation delays?

NENA has rejected the cost benefit analysis offered by 90 meter accuracy. What does that say?

IMPLEMENTATION DEADLINES



Issue: Why are handset proponents opposed to implementation deadlines?

- ALI enabled handsets will only be available in very small quantities by January 2002
- Few ALI handsets will be sold initially because the price will be significantly higher
- Carriers will continue to sell and promote non-ALI enabled handsets because consumers always want less expensive handsets
- Handset proponents use buzz words like “market forces” precisely because they do not want to commit to schedules of any kind

COST



The Issue: Do ALI enabled handsets cost less than network solutions?

- Why do handset proponents talk about a “components” cost of \$ 7-10 for very large volumes? What about the RETAIL cost to the consumer?
- The initial retail cost will be many times higher - \$50 to \$100 per handset or more
- Network systems cost as little as \$13 per subscriber
- Who will pay? Consumers, PSAPs, Carriers?
- Cost will effect the big loophole that handset proponents never talk about
 - Cost Recovery

COST RECOVERY



Issue: Do handset enabled solutions require cost recovery?

- If ALI enabled handsets are so inexpensive, why don't handset proponents waive the right to cost recovery?
- Answer: Carriers know that handset based solutions are very expensive, and will demand cost recovery if there are implementation deadlines.
- Who will pay for cost of replacing old handsets? Will PSAPs be asked to pay for advertising, shipping, handling and increased cost of GPS handsets?
- Deadlines and implementation schedules will be meaningless if huge cost recovery requirements are in place - PSAPs cannot control cost of handset solutions

The Dream and the Reality



■ The Dream

- Early Start Date
- Rapid deployment
- The Roaming Problem
- Significantly Improved Accuracy

■ The Reality

- The sale of a single GPS handset on September 2001 will be meet the early start date:
- Limited deadlines - good faith requirements only
- Ignore the problem - create two classes of users "haves" and "have nots"
- Small accuracy improvement rejected by PSAPs as inconsequential - no better than current network based solutions

"Waivers" must include strict and clear implementation guidelines